

1535

RECEIVED
2008 JUL -2 AM 10:58

PITKIN GAS UTILITY
DISTRICT No.1
FINANCIAL STATEMENTS
December 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/30/08

PITKIN GAS UTILITY DISTRICT No. 1
December 31, 2007

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Required Supplemental Information		
Management's Discussion and Analysis		1 - 5
Independent Auditor's Report		6 - 7
Basic Financial Statements		
Statement of Net Assets	A	9 -10
Statement of Revenues, Expenses and		
Changes in Fund Net Assets	B	11
Statement of Cash Flows	C	12-13
Notes to Financial Statements		14 -19
Other Report Required by Government		
Auditing Standards		20
Report on Internal Control over Financial		
Reporting and on Compliance and other Matters		
Based on an Audit of Financial Statements		
Performed in Accordance with Government Auditing Standards		21 -23
Schedule of Findings and Questioned Costs		24
Management's Summary Schedule of Prior Audit Findings		25
Supplemental Information		26
Schedule of Compensation Paid Board Members - Sch 1		27

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

My discussion and analysis of the PITKIN GAS UTILITY DISTRICT No. 1 (the District) financial performance provides an overview to the District's financial activities for the year ended December 31, 2007. Please read in conjunction with the District's basic financial statements which begin on page 9.

Financial Highlights

* The District's net assets decreased by \$4,274 or approximately 1.49% during the year ended December 31, 2007. There were no significant fluctuations in operating revenues or expenses for 2007.

* There was an increase of \$1,379 in unrestricted net assets. Unrestricted net assets are those assets available to meet the day-to-day operating needs of the District.

Using This Annual Report

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the District's financial performance and activities for the year ended December 31, 2007. The basic financial statements provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

* The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

* The Statement of Activities presents information showing how the District's net assets changes during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.

* The Statement of Cash Flows presents information showing how the District's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

See Independent Auditor's Report

Financial Analysis of the District as a Whole

A summary of net assets is presented on the next page.

See Independent Auditor's Report

PITKIN GAS UTILITY DISTRICT No. 1

December 31, 2007

Management's Discussion and Analysis

Table 1
Net Assets

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Current Assets	\$ 265,256	\$ 260,352	1.88%
Restricted assets	---	200	(100%)
Capital assets, net of depreciation	<u>50,483</u>	<u>56,208</u>	<u>(10.19%)</u>
Total Assets	\$ <u>315,739</u>	\$ <u>316,760</u>	<u>(0.032%)</u>
Current liabilities	\$ 22,120	\$ 18,627	18.75%
Current liabilities payable from restricted assets	10,545	10,785	(2.22%)
Noncurrent liabilities	---	---	----
Total Liabilities	<u>32,665</u>	<u>29,412</u>	<u>11.06%</u>
Invested in capital assets	50,483	56,208	(10.19%)
Unrestricted net assets	<u>232,591</u>	<u>231,140</u>	<u>0.59%</u>
Total Net Assets	\$ <u>283,074</u>	\$ <u>287,348</u>	<u>(1.49%)</u>

Invested in capital assets represent the District's long-term investment in capital assets, net of accumulated depreciation, and is not available for current operations.

A summary of changes in net assets is presented below for the years ended December 31, 2007 and 2006.

Table 2
Changes in Net Assets

	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Operating revenues			
(charges for services, fees and other)	\$ 143,727	\$ 164,815	(12.79%)
Non-operating revenues			
(government subsidies and interest income)	<u>9,686</u>	<u>14,434</u>	<u>(32.89%)</u>
Total Revenues	<u>153,413</u>	<u>179,249</u>	<u>(14.41%)</u>
Operating expenses			
Depreciation	5,725	5,781	(0.0097%)
Other	<u>151,962</u>	<u>207,957</u>	<u>(26.93%)</u>
Total Expenses	<u>157,687</u>	<u>213,738</u>	<u>(26.22%)</u>
Change in net assets	\$ <u>(4,274)</u>	\$ <u>(34,489)</u>	<u>87.61%</u>
See Independent Auditor's Report			

PITKIN GAS UTILITY DISTRICT NO 1
December 31, 2007

Management's Discussion and Analysis

Capital Assets

At December 31, 2007 and 2006, the District had \$50,483 and \$ 56,208 respectively, invested in capital assets , including, improvement, equipment, furniture and fixtures at net value after depreciation.

Current Liabilities Payable from Restricted Assets

The District's current liabilities payable from restricted assets decreased by \$240 or 2.22%.

Other Currently Known Facts, Decision, or Conditions

In management's opinion the cash balance that the District has acquired will be maintained under present operating projections after suffering a significant decrease due to damages and clean up costs from Hurricane Rita.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Pitkin Gas Utility District No. 1 at P.O. Box 334: Pitkin, La.

See Independent Auditor's Report

ELLIOTT & ASSOCIATES, INC.
A Professional Accounting Corporation
P. O. Box 1287
Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
PITKIN GAS UTILITY DISTRICT No. 1

I have audited the accompanying basic financial statements of the Pitkin as Utility District No. 1, a component unit of the Vernon Parish Police Jury, as of and for the year ended December 31, 2007, as listed in the table of contents. These basic financial statements are the responsibility of the Pitkin Gas Utility District No.1's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with generally accepted audition standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued b the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principle used and significant estimated made by management, as we'll as evaluation the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Pitkin Gas Utility District No. 1 as of and for the year ended December 31, 2007, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 1 through 5 is not a required part of the basis financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued my reported dated June 25, 2008 on my consideration of the Pitkin Gas Utility District No. 1's internal control over financial reporting and my tests of its compliance with certain provision of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

Elliott & Assoc. "APAC"
Leesville, Louisiana
June 25, 2008

BASIC FINANCIAL STATEMENTS

PITKIN GAS UTILITY DISTRICT No. 1

STATEMENT OF NET ASSETS

December 31, 2007

ASSETS**ASSETS****Current assets**Cash and cash equivalents (Note 2) \$ 243,251

Receivables

Service customers (Note 3) 20,793

Accrued interest 1,212**Total current assets** 265,256**Restricted assets**Cash-meter deposits (Note 2) ---**Total restricted assets** ---**Noncurrent assets**Capital assets, net of accumulated 50,483depreciation (Note 4) 50,483**Total noncurrent assets****TOTAL ASSETS** \$ 315,739

The accompanying notes are an integral part of this statement.

LIABILITIES**Current liabilities**

Accounts payable	\$ 11,667
Sales taxes payable	105
Salaries payable	2,995
Payroll taxes payable	1,353
Due to Pitkin Water System	<u>6,000</u>

Total current liabilities 22,120

**Current liabilities payable from
restricted assets:**

Customer deposits payable 10,545

Total current liabilities payable
from restricted assets 10,545

TOTAL LIABILITIES 32,665

NET ASSETS

Invested in capital assets	50,483
Unrestricted	<u>232,591</u>

TOTAL NET ASSETS \$ 283,074

PITKIN GAS UTILITY DISTRICT No. 1
Statement of Revenues, Expenses and
Changes in Fund Net Assets
For the year ended December 31, 2007

Operating revenues:	
Gas sales	\$ 140,058
Delinquent surcharges	2,929
Installation/connection fees	<u>740</u>
Total operating revenues	<u>143,727</u>
Operating expenses:	
Current:	
Gas purchases	76,588
Salaries	47,110
Professional fees	3,150
Office expense	3,395
Rent	360
Insurance	1,096
Payroll taxes	4,189
Repairs	10,050
Other	1,224
Depreciation (Note 4)	5,725
Management fees	<u>4,800</u>
Total operating expenses	<u>157,687</u>
Operating income (loss)	<u>(13,960)</u>
Nonoperating revenues (expenses):	
Interest income	8,613
Miscellaneous income	<u>1,073</u>
Total nonoperating revenues	
(expenses)	<u>9,686</u>
Net decrease in net assets	(4,274)
Net assets, beginning of the year	<u>287,348</u>
Net assets, ending of the year	<u>\$ 283,074</u>

The accompanying notes are an integral part of this statement.

PITKIN GAS UTILITY DISTRICT NO.1
Statement of Cash Flows
For the year ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	141,888
Cash payments to suppliers	
For goods and service	(92,779)
Cash payments to employees for services	<u>(49,246)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(137)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Miscellaneous expense	<u>1,073</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>1,073</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
DO TD	---
NET CASH FROM CAPITAL FINANCING ACTIVITIES	---
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>8,629</u>
Increase in cash	9,565
CASH, BEGINNING OF YEAR	<u>233,686</u>
CASH, END OF YEAR	<u>\$243,251</u>
CLASSIFIED AS:	
Unrestricted	\$243,251
Restricted	<u>---</u>
TOTAL CASH	<u>\$243,251</u>

The accompanying notes are an integral part of this statement.

PITKIN GAS UTILITY DISTRICT No. 1
Statement of Cash Flows
For the year ended December 31, 2007

RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING
ACTIVITIES

Operating income (loss) \$ (13,960)

Adjustments to reconcile operating income
to net cash provided by operating
activities:

Depreciation	5,725
Changes in assets and liabilities:	
Accounts receivable	(3,323)
Accounts payable	(1,689)
Other receivables	8,168
Other current liabilities	5,182
Customer deposits	<u>(240)</u>

Net cash provided by operating activities (137)

GAS UTILITY DISTRICT NO. 1 OF VERNON PARISH

Notes to the Financial Statements

December 31, 2007

Note 1. Summary of Significant Accounting Policies

The accounting and reporting policies of Gas Utility District No.1 of Vernon Parish (the District) conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The following is a summary of certain significant accounting policies.

Reporting Entity

The reporting entity for Gas Utility District No.1 of Vernon Parish consists of the Vernon Parish Council, which, as governing authority of the parish, has oversight responsibility over other governmental units (component units) within the parish. In accordance with GASB Codification Section 2100, Gas Utility District No.1 of Vernon Parish is considered a component unit of the parish reporting entity because (1) commissioners of the District are appointed by the Vernon Parish Council and (2) the District provides water service to residents within Vernon Parish. While Gas Utility District No.1 of Vernon Parish is an integral part of the parish reporting entity and should be included within the financial statements of that reporting entity, GASB Codification Section 2600 provides that a component unit may also issue financial statements separate from those of the reporting entity. Accordingly, the accompanying financial statements present information only on the financial operations of Gas Utility District No.1 of Vernon Parish and do not present information on the Vernon Parish Waterworks District No.9, the general government services provided by the District or on other component units that comprise the Vernon Parish reporting entity.

Fund Accounting

The accounts of Gas Utility District No.1 of Vernon Parish are organized on the basis of Enterprise Fund accounting used by governmental entities. The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

GAS UTILITY DISTRICT NO.1 OF VERNON PARISH
December 31, 2007

Notes to the Financial Statements (continued)

The District applies all applicable FASB pronouncements passed on or before November 30, 1989, in accounting and reporting for its proprietary fund operations unless those pronouncements conflict with or contradict GASB pronouncements.

Method of Accounting

The District has adopted the provisions of Statement 34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Statement 34 established standards for external reporting for all state and local governmental entities, which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the unspent related debt proceeds at the year-end. The portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. The District also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

GAS UTILITY DISTRICT NO.1 OF VERNON PARISH
December 31, 2007

Notes to the Financial Statements (continued)

Cash, Cash Equivalents and Investments

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state of the Union, or the laws of the United States. The District may invest in certificate and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

The District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Utility Customer Receivables

Utility customer receivables on the accompanying Statements of Net Assets are considered to be fully collectible at December 31, 2007. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of an account.

Capital Assets

All fixed assets of the proprietary fund are recorded at historical costs. Depreciation of all exhaustible fixed assets is charged as an expense against their operations. Pre-construction costs associated with the development of the water system, which include engineering, legal, and interest costs are capitalized and will be amortized over their estimated useful lives using the straight-line method. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Improvements are capitalized and depreciated over the remaining useful lives and methods are used to compute depreciation:

Building	45 years	Straight Line
Plant and Distribution System	45 years	Straight Line
Furniture, Fixtures and Equipment	3-11 years	Straight Line

Depreciation and amortization expenses amounted to \$5,725 for the year ended December 31, 2007.

GAS UTILITY DISTRICT NO.1 OF VERNON PARISH

December 31, 2007

Notes to the Financial Statements (continued)

Compensated Absences

Vested or accumulated vacation and sick leave are recorded on the Vernon Parish Police Jury records as the benefits accrued to employees. No liability is recorded for compensated absences that relate to future service or that are contingent on a specific event that is outside the control of the employer and employees.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2--CASH AND INVESTMENT COLLATERAL

Under state law, the District may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in United States bonds, treasury notes, time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment.

At December 31, 2007, the District had cash and investments as follows:

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
Cash (demand deposits) and certificate of deposit	<u>\$243,251</u>	<u>\$ ---</u>	<u>\$243,251</u>

At year end, the carrying amount of the District's deposits (demand deposits and certificates of deposit) were \$243,251 and the bank balances were \$243,340. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$243,340
Uncollateralized (In accordance with GAAP)	---
	<u>\$243,340</u>

GAS UTILITY DISTRICT NO. 1 OF VERNON PARISH

Notes to the Financial Statements (Continued)

NOTE 3--ACCOUNTS RECEIVABLE

Receivables at December 31, 2007 consist of the following:

Accounts	\$ 20,793
Less: Allowance for doubtful accounts	<u>-----</u>
Net total receivables	<u>\$ 20,793</u>

Note 4--CHANGES IN FIXED ASSETS

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful life of the various classes of assets.

The following is a summary of changes in fixed assets for year ended December 31, 2007:

	<u>Transmission System</u>	<u>Anodes and Equipment</u>	<u>Total</u>
December 31, 2006	\$ 161,149	\$ 64,781	\$ 225,930
Additions	---	---	---
Deletions	<u>---</u>	<u>---</u>	<u>---</u>
December 31, 2007	161,149	64,781	225,930
Less: Accumulated depreciation	<u>(134,370)</u>	<u>(41,077)</u>	<u>(175,447)</u>
Net	<u>\$ 26,779</u>	<u>\$ 23,704</u>	<u>\$ 50,483</u>

NOTE 5--RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

GAS UTILITY DISTRICT NO. 1 OF VERNON PARISH

Notes to the Financial Statements (Continued)

NOTE 5-RISK MANAGEMENT (CONTINUED)

The District carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF COVERAGE
Workmen's compensation	\$1,000,000
Auto liability	N/A
Commercial general liability	3,000,000
District-owned buildings and equipment	N/A

The District covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The District was not involved in any litigation during the year ended December 31, 2007, nor did it have asserted claims lodged against it.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Leesville, Louisiana 71496-1287

(337) 239-2535
(337) 238-5135
Fax 239-2295

W. Micheal Elliott, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
PITKIN GAS UTILITY DISTRICT No. 1

I have audited the financial statements of the Pitkin Gas Utility District No.1 as of and for the year ended December 31, 2007, and have issued my report thereon dated June 25, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Pitkin Gas Utility District No.1's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, process, record, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pitkin Gas Utility District No.1's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Louisiana Legislative Auditor and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Elliott & Assoc. "APAC"
Leesville, Louisiana
June 25, 2008

PITKIN GAS UTILITY DISTRICT NO. 1
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED December 31, 2007

SECTION 1- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable conditions identified that are not considered to be material weaknesses?	yes	x	no
---	-----	---	----

Noncompliance material to financial
statements noted? yes x no

Management's Summary Schedule of Prior Audit Findings	Not applicable
---	----------------

Memorandum of Other Comments
and Recommendations Not applicable

Management's Corrective Action Plan	Not applicable
-------------------------------------	----------------

Federal Awards	Not Applicable
----------------	----------------

SECTION II - FINANCIAL STATEMENT FINDINGS

Not applicable

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable

PITKIN GAS UTILITY DISTRICT No. 1
MANAGEMENT'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED December 31, 2007

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS

There were no prior year findings relating to internal control and compliance material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

SUPPLEMENTARY INFORMATION

GAS UTILITY DISTRICT NO. 1 OF VERNON PARISH

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

For the year ended December 31, 2007

The Board of Commissioners of the Gas Utility District No. 1 of Vernon Parish served without compensation for the year ended December 31, 2007.